



Irish Life Weekly Investment Bulletin

The week that was – WEEK 45 2018 (ending 09/11/2018)

“Never confuse a single defeat with a final defeat.” – F. Scott Fitzgerald

Irish household net worth in Q2 hits record high – According to the Quarter 2 2018 Financial Accounts just published by the Central Bank, household net worth (the measure of wealth owned by Irish people) has hit a new high of €757bn, thanks in the main to rising property values, with debt levels the lowest since Q3 2005.

Irish inflation remains at 0.9% in October – The Central Statistics Office has reported an annual inflation rate of 0.9% in October, no change on September. The largest increases were in Housing, Water, Electricity & Fuels (+5.5%), Transport (+3.3%), Alcoholic Beverages & Tobacco (+2.6%) and Restaurants/Hotels (+2.1%).

Global stock market up 1.9% on the week – The MSCI AC World TR Index showed a 1.88% return from 2nd November to 9th November as U.S. stocks rose to their highest levels since the October selloff and oil prices hit bear market territory. The Vix (Volatility Index) closed the week at 17.36, reducing from 19.51 on 2nd Nov.

Fed keep U.S. interest rate on hold as expected – The Federal Open Market Committee, as expected, voted unanimously to keeping the federal funds rate in a range of 2% to 2.25%. Markets also expect the Fed's relatively upbeat outlook to translate into a 0.25% rate rise in December, which would be the fourth this year.

UK economic growth in Q3 hits highest level since 2016 – The Office for National Statistics (ONS) reported that Britain's economy grew at a 0.6% rate in the third quarter, up from the 0.4% seen in the previous quarter and the fastest rate since Q4 2016. However business investment fell by 1.2% from Quarter 2.

China's 15.6% y-o-y exports rise in October beats expectations despite U.S. trade tariffs – Chinese exports in October increased 15.6% year-on-year, compared to the 14.5% rise in September and well above the 11% forecast by economists. China is benefiting from both its weaker yuan and healthy global demand.

The Story of the week: An 11-year-old boy in Cleveland, Ohio, USA, took his mother's car on a joyride after she took away his PlayStation and is now facing police charges after engaging them in a high-speed chase in her 2013 Dodge Durango. According to local station WEWS TV, he drove recklessly, reaching speeds above 110 km/h, until he crashed the SUV into a parked truck. He was then taken to a local hospital, where he was treated for minor injuries. This is the second time in 13 months the boy took the car. In October of last year, he led troopers on a 50-mile chase on an interstate before being apprehended. The charges were dismissed for that offence because of various disorders he suffers from.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 09/11)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	1.4
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-11.0
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-4.1
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-5.5
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	5.7
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	7.3
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-2.3
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-9.7
Eurozone Government Bonds 1-5 yr	2.1	3.4	1.0	0.9	-0.2	-0.8
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	3.2
German	1.9	0.5	0.6	0.2	0.4	0.4
UK	3.0	1.9	1.9	1.2	1.2	1.5
Japan	0.7	0.3	0.2	0.0	0.0	0.1
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	3.4
Greece	8.2	9.6	7.9	7.1	4.1	4.3
Portugal	6.1	2.7	2.5	3.8	1.9	1.9
Spain	4.1	1.6	1.7	1.4	1.6	1.6
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.75
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.25
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.13
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.29
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	5.5% (To end of Q2)
U.K.	10.9	17.9	13.3	3.6	10.3%	3.7% (To end of Q2)
U.S.	11.6	11.5	12.5	7.7	7.1%	3.7% (To end of Q2)

*Past performance is not a reliable guide to future performance and may fall as well as rise.